

Items of Interest Regarding Comptroller's Directive No. 1-05

General:

- Questions should be addressed to the following: Jamie Motley, Assistant Director of Financial Reporting, at Jamie.Motley@doa.virginia.gov or (804) 225-2646 or Ron Necessary, Director of Financial Reporting, at Ron.Necessary@doa.virginia.gov or (804) 225-2380.
- GASB Statement No. 40, Deposit and Investment Risk Disclosures, amends GASBS No. 3 by updating the custodial credit risk disclosure requirements and by establishing more comprehensive disclosure requirements for other common risks of deposits and investments. This statement is effective for FY 2005. Higher education institutions are required to submit an Attachment HE-10A in order to comply with this new reporting requirement.
- Institutions will be notified within a few days of submission due dates if DOA determines the information provided is unacceptable. The deficiency will be identified and a revised due date will be provided. Failure to provide corrected information within the specified timeframe may result in citation in the Comptroller's *Report on Statewide Financial Management and Compliance* (Quarterly Report).
- E-mail submissions are required for all submissions unless an individual submission indicates otherwise. Institutions should only provide **one** copy of each submission to DOA.
- Institutions should remember to copy the Auditor of Public Accounts (APA) on all E-mail submissions.
- Only cells highlighted in yellow allow for data entry. If a cell requires an amount to be entered, only whole numbers are allowed. Messages have been added that provide assistance to individuals having trouble entering data when the established parameters are not being followed. **Failure to correct keying errors denoted by validation messages prior to submission will prohibit acceptance of the attachment.**
- Revision control logs are included in the majority of the attachment workbooks. These logs require the institution to identify the specific worksheets and tabs that have been modified **after** DOA's original acceptance. These logs should also provide a cumulative listing of changes to each attachment. The individual attachment instructions indicate whether the revision control log is applicable. **Failure to adhere to the revision instructions specified for each attachment will prohibit acceptance of revisions.** DOA will notify institutions if problems are encountered with revision submissions.
- DOA will notify institutions if additional information is needed for the CAFR and provide a due date via E-mail correspondence.

NEW ATTACHMENT:

Attachment HE-10A, Schedule of Cash, Cash Equivalents, and Investments as of June 30, is to obtain GASBS No. 3 as amended by GASBS No. 40 footnote information for cash, cash equivalents, and investments not held with the Treasurer of Virginia. This attachment is somewhat similar to the prior year's Attachment HE-14. This attachment must be submitted with the Attachment HE-10, Financial Statement Template.

OTHER ATTACHMENTS:

Attachment HE-2, Beginning Net Asset Reconciliation, has a **new** tab to reconcile the prior year's ending net asset balance for the foundation(s) to the current year's beginning balance.

Attachment HE-6, Federal Schedules

- This attachment has been **significantly revised** from the prior year's format. Please read the instructions carefully to ensure amounts are properly reported on this attachment.
- Institutions must reconcile the federal schedules to the accounting records and not the financial statements.
- Agencies must contact Penny Williams at Penny.Williams@doa.virginia.gov or (804) 225-3804 **prior** to submitting any revisions to DOA.

Attachment HE-10, Financial Statement Template

Below are a list of changes to this attachment.

- The FST tab has an additional fluctuation analysis for the foundation totals. Explanations must be provided for significant fluctuations.
- TABS 7 and F7, Miscellaneous, have a **new** Part 11, Other Liabilities. A description must be provided for items reported on this financial statement template line item.
- TAB 9, Eliminations, is a **new** tab to identify whether asset or liability elimination entries reported on the FST are for higher education institution or foundation amounts.

See the instructions for Attachment HE-10, Financial Statement Template, the **Financial Statement Template Preparation for Higher Education Institutions, Additional Guidelines for Preparation of the Financial Statement Template**, and **Combining Financial Statement Template Preparation for Foundation(s)** sections of the Office of Comptroller's Directive 1-05 for additional information.

Attachment HE-11, Reconciliation

Institutions must reconcile the institution's (HEI) draft financial statements submitted pursuant to Attachment HE-13, Report of Financial Condition, to the Attachment HE-10, Financial Statement Template. This reconciliation must be by financial statement line item. Institutions can use their own format for documenting this reconciliation; however, example formats are available.

Due Dates

The following attachments are **due earlier** than they have been in the past.

- The due date for Attachment HE-10, Financial Statement Template, has been moved up one week to September 29th.
- The due date for Attachments HE-11, HE-12, and HE-13 has also been moved up one week to October 13th.